

EXHIBIT “4”



WHEELER, DEFUSCO & ASSOC.
CLAIMS ADJUSTERS & ADMINISTRATORS

July 6, 2011

FIRST REPORT

Century Surety Company
465 Cleveland Avenue
Westerville, OH 43082

Attn: Brendon Leibrock

=====

RE:	Name Insured	:	J&J Properties Partnership dba: Suburban Shopping Center
	Loss Locations	:	4201, 4130 & 4128 North 1 st Abilene, TX 79603
	Claim Number	:	01-075555
	Policy Number	:	CCP 678018
	Date of Loss	:	April 24, 2011
	Our File Number	:	11082

=====

SOURCE AND DATE OF ASSIGNMENT:

This loss was assigned to Wheeler, DeFusco & Associates on 6/13/11. Contact was established with the insured's public adjuster on 6/17/11. An appointment was scheduled for 6/17/11 at 9 am. The loss was inspected without the public adjuster on 6/17/11.

NET RESERVE:

Building: \$0.00

1509 NE 4th Avenue Ft. Lauderdale, FL 33304
Tel: 954 332 0796 • Fax: 954 332 0897
claims@wheeler-defusco.com

"The Science of Adjusting"

7/6/2011

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ENCLOSURES:

1. Our detailed building estimate
2. Diagrams
3. Photos (42)

ABSTRACT OF COVERAGE:

We thank you for your policy material and forms received in our office on 4/1/11. We note coverage is provided by Century Surety Company under policy number CCP 678018. The controlling forms employed are:

Business and Personal Property Coverage Form CP0010 (06-07)
Cause of Loss Basic Form CP1010 (06-07)
Multiple Deductible Form CCF 1512 (05-06)

The coverage declaration confirms coverage in the amounts as follows:

Premise 1:	\$885,900.00
Premise 2:	\$364,900.00
Premise 3:	\$193,400.00

Policy is subject to a \$1,000.00 deductible for all covered causes of loss except windstorm or hail which has a \$2,500.00 on each building. Settlement is at actual cash value.

INSURED / OWNERSHIP / LEGAL INTEREST:

The insured is J&J Properties Partnership Suburban Shopping Center. Our contact person is the public adjuster, Rickey Conradt, who can be reached at (512) 558-1430. The insured's contact number is (325) 672-8538.

RISK:

There are three scheduled properties on this policy.

Premise 1

The insured property is a strip shopping center leased to tenants at 4201 N. 1st. St. Abilene, TX 79603. The risk is a one story facility.

Building construction features are as follows;

- Interior rooms have combination vinyl tile and carpet.
- Dry wall walls covered with paint
- Ceiling consists of suspended 2X4 ceiling tiles
- Exterior has block framing with a painted finish

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- Roof is made of built up roofing with gravel overlay.
- Mansard roof is wood shingles with composition shingles on parapet wall.
- Slab foundation.

Premise 2

The insured property is a commercial building leased to tenants at 4130 N. 1st. St. Abilene, TX 79603. The risk is a one story facility.

Building construction features are as follows;

- Interior rooms have combination ceramic tile and carpet.
- Dry wall walls and ceilings covered with paint
- Exterior has block framing with a stone front elevation
- Roof is made of built up roofing with gravel overlay.
- Slab foundation

Premise 3

The insured property is a commercial building leased to tenants at 4128 N. 1st. St. Abilene, TX 79603. The risk is a one story facility.

Building construction features are as follows;

- Interior rooms have combination vinyl tile and carpet.
- Dry wall walls covered with paint
- Ceiling consists of suspended 2X4 ceiling tiles
- Exterior has metal framing with metal panels
- Roof is made of metal panels.
- Slab foundation

COINSURANCE:

Premise 1

The insured is in compliance with the 80% coinsurance requirement per our valuation of the building.

15,329sf bldg x \$90/sf = \$1,379,610.00 Building Value
(\$275,922.00) depreciation
\$1,103,688.00 ACV
\$1,103,688.00 x 80% = \$882,950.40 required

Premise 2

The insured is in compliance with the 80% coinsurance requirement per our valuation of the building.

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4,000sf bldg x \$100/sf = \$400,000.00 Building Value
 (\$80,000.00) depreciation
 \$320,000.00 ACV
 \$320,000.00 x 80% = \$256,000.00 required

Premise 3

The insured is not in compliance with the 80% coinsurance requirement per our valuation of the building.

6,775sf bldg x \$80/sf = \$542,000.00 Building Value
 (\$108,400.00) depreciation
 \$433,600.00 ACV
 \$433,600.00 x 80% = \$346,880.00 required

POLICY VIOLATIONS:

Premise 3 has a coinsurance violation as it is not 80% compliant.

CAUSE/CIRCUMSTANCES OF LOSS:

The cause of loss in this claim was reported to be hail. On 4/24/11 rain and hail allegedly caused damage to the roofs of these structures.

INVESTIGATION/EXPERTS

At this time we do not feel it is necessary to retain the service of an engineer or building consultant.

MORTGAGEE/LOSS PAYEE:

The mortgagee on these properties are Hatchett & Company Real Estate at 2481 S. Danville Abilene, TX 79605

OTHER INSURANCE:

The insured stated that they do not have any additional insurance.

PREVIOUS LOSSES:

The insured stated that they have not had any previous losses

ADJUSTMENT:

We inspected the loss locations on 6/17/11. The public adjuster did not meet with us as he informed us on the morning of our scheduled inspection that he had another engagement to attend and would not be able to meet with us. He gave us authorization to inspect the roofs without him being present.

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Our inspection on each roof revealed the following:

Premise 1

The flat roof with gravel overlay showed no signs of hail damage. The front façade/mansard is made of wood shingles. There was no visible damage found on the wood shingles. The parapet wall is covered with three tab composition shingles. There were no signs of hail damage on these shingles. We did see that the composition shingles in some places on the parapet wall are sliding down due to improper installation. This was not wind damage, but actual sliding has occurred to some of the shingles.

Premise 2

The flat roof with gravel overlay has no signs of hail damage.

Premise 3

The metal roof panels are made of 24 gauge material. There are no signs of hail damage on the roof and perimeter walls.

We have enclosed a copy of this estimate for your records. We have also informed the PA that we did not find any hail damage on the roofs of these structures.

SUBROGATION:

There is not an opportunity for subrogation with this loss.

SALVAGE:

There is no opportunity for salvage retention.

RECOMMENDATION:

As no hail damage occurred to the roofs of these structures. We recommend that a denial of coverage be made.

TO BE DONE:

1. We will await your review and response to our recommendation stated above.
2. Our file is diaried for 30 days.

Clarence Estes
Wheeler, DeFusco & Associates
(281) 732-6805
cestes@wheeler-defusco.com

Wheeler, Defusco & Associates

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Insured: Suburban Shopping Center
 Property: 4130 & 4128 N 1st
 Abilene, TX 79603
 Claim Rep.: Clarence Estes Business: (281) 732-6805
 Estimator: Clarence Estes Business: (281) 732-6805

Claim Number	Policy Number	Type of Loss	Deductible
01075555	CCP678018	Hail	\$2,500.00
01075555	CCP678018	HAIL 2	\$2,500.00
01075555	CCP678018	HAIL 3	\$2,500.00

Dates:

Date of Loss:	04/24/2011	Date Received:	06/13/2011
Date Inspected:	06/17/2011	Date Entered:	06/25/2011

Price List: TXDF4B_JAN11
 Restoration/Service/Remodel
 Estimate: 11082-SUBURBANSHOPPI

This estimate does not represent an authorization for repair. All decisions relative to coverage and payment are left to the discretion of the insurance carrier.

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11082-SUBURBANSHPPI

4130 N 1st.

Room: Roof

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
NO VISIBLE HAIL OR WIND DAMAGE FOUND ON BUILT UP ROOF WITH GRAVEL BLAST OVERLAY.					
NO VISIBLE WIND OR HAIL DAMAGE FOUND ON MODIFIED BITUMEN PERIMETER EAVE OF ROOF.					
Room Totals: Roof			0.00	0.00	0.00

4128 N 1st St.

Room: Roof

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
NO VISIBLE WIND OR HAIL DAMAGE FOUND ON METAL ROOF AND WALL PANELS					
Room Totals: Roof			0.00	0.00	0.00

4201 N 1st St.

Room: Roof

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DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
NO VISIBLE WIND OR HAIL DAMAGE FOUND ON BUILT UP ROOF WITH GRAVEL BLAST OVERLAY.					
NO VISIBLE WIND OR HAIL DAMAGE FOUND ON COMPOSITION ROOF MATERIALS ON PARAPET WALL.					
NO VISIBLE WIND OR HAIL DAMAGE FOUND ON WOOD SHINGLE MANSARD AT FRONT OF BUILDING.					
Room Totals: Roof			0.00	0.00	0.00

Grand Total Areas:

0.00 SF Walls	0.00 SF Ceiling	0.00 SF Walls and Ceiling
0.00 SF Floor	0.00 SY Flooring	0.00 LF Floor Perimeter
0.00 SF Long Wall	0.00 SF Short Wall	0.00 LF Ceil. Perimeter
0.00 Floor Area	0.00 Total Area	0.00 Interior Wall Area
0.00 Exterior Wall Area	0.00 Exterior Perimeter of Walls	
0.00 Surface Area	0.00 Number of Squares	0.00 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

Type of Loss	Amount	%	Grand Total	%
Hail	0.00	0.00%	0.00	0.00%
HAIL 2	0.00	0.00%	0.00	0.00%
HAIL 3	0.00	0.00%	0.00	0.00%
Total		100.00%		100.00%

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Summary for Hail

Line Item Total		0.00
Replacement Cost Value		0.00
Less Deductible	[Full Deductible = 2,500.00]	(0.00)
Net Claim		0.00

Clarencc Estes

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Summary for HAIL 2

Line Item Total		0.00
Replacement Cost Value		0.00
Less Deductible	[Full Deductible = 2,500.00]	(0.00)
Net Claim		0.00

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Summary for HAIL 3

Line Item Total		0.00
Replacement Cost Value		0.00
Less Deductible	[Full Deductible = 2,500.00]	(0.00)
Net Claim		0.00

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Recap by Category

Less Deductible	[Full Deductible = 7,500.00]	(0.00)
Grand Total		0.00

4130 N-1st

No visible Hail

Perimeter
Trench
↓
mud pit

SKetch

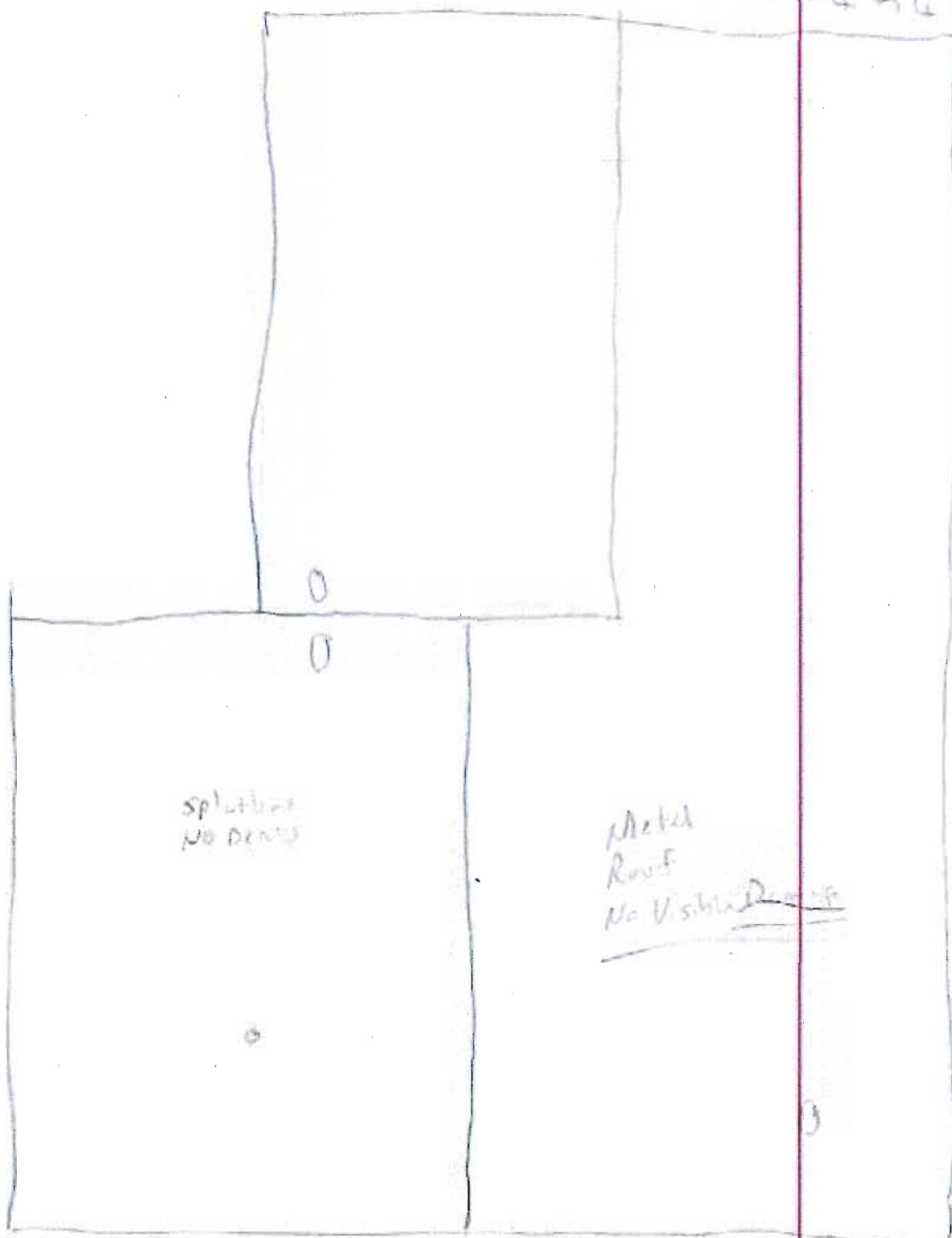


BU w/ Gravel Blast

- CWC Block w/ stone face
- BU Roof w/ gravel
- Slab
- Concrete foundation
- Driveway w/ C

Deep
5ft

4/28/11



Metal Bldg

Metal Roof

Front is Stone Wall

Slab

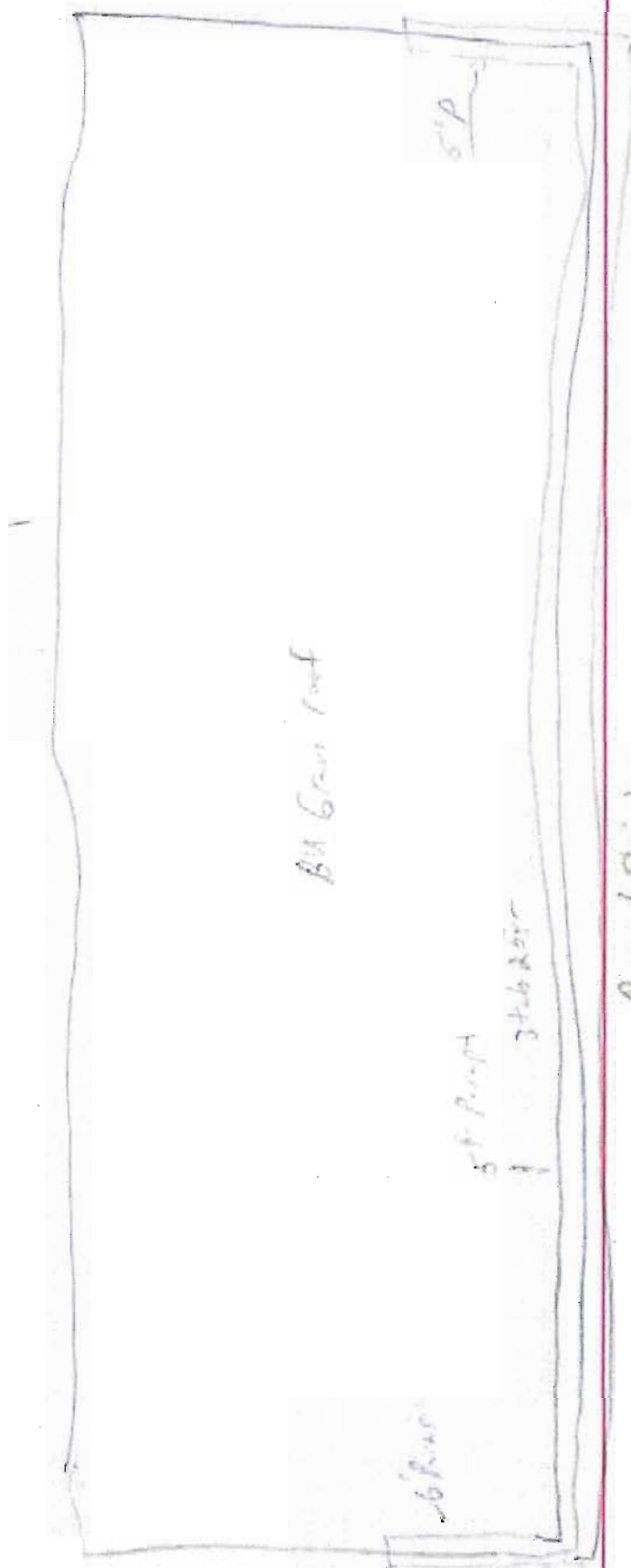
FCC F

DRY W

ALL C

Front

4201 N 1st St



NO Hail Domes

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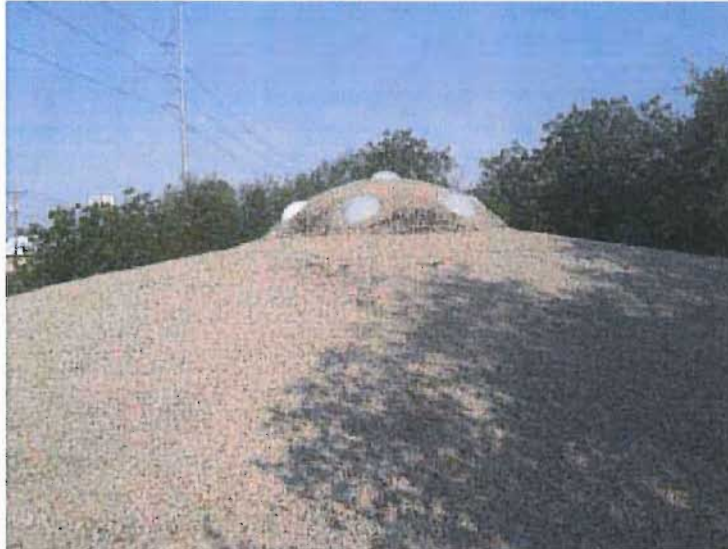
1 100_6885 01/01/2006
risk 4130 N 1st St.



2 100_6886 01/01/2006
address verification

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3 100_6887 01/01/2006
roof overview- gravel



4 100_6888 01/01/2006
roof perimeter is modified bitumen

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5 100_6889 01/01/2006
gravel roof not damaged



6 100_6890 01/01/2006
view toward rear of roof

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7 100_6891 01/01/2006
rear end of roof perimeter is built up



8 100_6892 01/01/2006
perimeter not damaged

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9 100_6893 01/01/2006
raised square



10 100_6894 01/01/2006
parapit wall is worn

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11 100_6895 01/01/2006
parapit coping is worn



12 100_6896 01/01/2006
top view of wall

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13 100_6897 01/01/2006
extended view of roof



14 100_6898 01/01/2006
skylight no damage

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15 100_6900 01/01/2006
skylights on dome not damaged



16 100_6905 01/01/2006
risk- 4128 N 1st St.

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17 100_6906 01/01/2006
roof overview- metal



18 100_6907 01/01/2006
metal roof not damaged

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19 100_6908 01/01/2006
roof jack not damaged



20 100_6909 01/01/2006
roof screws covered to prevent leaks

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21 100_6910 01/01/2006
closer view no damage



22 100_6911 01/01/2006
no damage

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23 100_6912 01/01/2006
dark mark but no dent



24 100_6913 01/01/2006
ridge overview- no damage

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25 100_6914 01/01/2006
roof brand



26 100_6915 01/01/2006
eave not damaged

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27 100_6916 01/01/2006
4201 N 1st St.



28 100_6917 01/01/2006
roof overview- gravel

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29 100_6918 01/01/2006
new a/c units being installed



30 100_6919 01/01/2006
parapit wall- comp shingles

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31 100_6921 01/01/2006
wall on east end no hail damage



32 100_6922 01/01/2006
shingles sliding from wall

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33 100_6923 01/01/2006
sliding shingles not loss related



34 100_6924 01/01/2006
fallen shingles from slide

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35 100_6925 01/01/2006
slide



36 100_6926 01/01/2006
north wall overview

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37 100_6927 01/01/2006
no hail damage



38 100_6928 01/01/2006
gravel roof no damage

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39 100_6929 01/01/2006
more slides



40 100_6930 01/01/2006
a/c unit no damage

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41 100_6931 01/01/2006
pea size marks on a/c unit- no dents



42 100_6932 01/01/2006
extended overview